

**REPRESENTATIVE TOWN MEETING
TOWN OF DARIEN, CONNECTICUT
FINANCE & BUDGET COMMITTEE**

**Minutes of a Special Meeting Held on ~~May~~ April 25, 2011
“DRAFT”**

On ~~May~~ April 25, 2011, a meeting of the RTM Finance & Budget Committee was held in Room 273 of the Darien Town Hall with ten of fourteen members present.

Present were:

Michael Harman
Kirk Hoffman
Bruce Orr
Tim Schwarz
Deb Ritchie
Bill Smith
Marc Thorne
Jim Palen
Terry Duffy
Anita Rycenga,

Absent were: Jack Davis, Nora McIlree, Charles Brode, Reilly Tierney

Guests in the audience included: Liz Mao, Steven Falcone and members of the Board of Education

The Chairman, Bruce Orr, called the meeting to order at 7:35 p.m.

Bruce Orr called for a moment of silence in honor of the passing of longtime RTM and F&B member, John Price.

Discussion regarding the deficit to 2010/2011 education budget began and was led off by a description of the issue by Kim Westcott. The total deficit is expected to be \$475,000. The funds to cover the deficit are expected to come from the special education reserve account and the Town's general fund. The board of finance has approved the allocation of \$265,000 from the special education reserve fund which will leave \$100,000 remaining in that fund. The board of education is requesting the RTM to approve the expenditure of \$210,000 from the town general fund. It was stated by Ms. Mao that the reduction in the special ed reserve will not have a negative effect on the Town's credit rating.

Superintendent Falcone gave a detailed description of the reasons for the deficit. The total negative variance to the budget is approximate \$1.618 million which is entirely comprised of special education related items. The largest component of the deficit is out-of-district tuition for student of \$900,000 in excess of budget. The total tuition cost will be roughly \$2.2 million. Other components of the variance are accounted for by legal, consultant and pupil evaluation fees. The deficit has been offset by savings in other areas of the budget; specifically, fixed costs and health care, in particular, have come in below budget.

The board was asked what is unknown between now and the end of the fiscal year in June that could affect the final deficit outcome. Kim Westcott said that only pupil evaluations and summer school enrolment remain unknown.

Dr. Falcone engaged the committee on a discussion of the issue over out-of-district tuition. He provided data on the enrollment figures and costs. Of the 32 student attending out-of district education and services, 22 cases were agreed to by the district which represents \$1.8 million. 10 students were unilaterally placed out-of-district which are costing the district \$400 thousand in tuition. To assist in better management of these cases in the future, Dr. Falcone indicated that district staff is learning to place more emphasis on procedure and documentation.

Bruce Orr made comments on the continued excessive growth of the special education budget and the need for increased scrutiny of the costs and improvements on managing its growth.

Anita Rycenga asked if there will be a special education sub-committee formed. Kim Westcott acknowledged that a committed comprised of BOE and BOF members will be formed.

Tim Schwarz commented that the district should be focused on communication and transparency when it comes to any changes in processes in order to ensure that all constituents are satisfied that the appropriate services are being delivered. Dr. Falcone said that communications and building trust will be a primary focus. Marc Thorne moved to vote on a sense of the meeting as to the approval of the \$210,000 general fund appropriation and the vote was unanimously in favor.

Bruce Orr moved to Item 5 on the agenda – Budget approvals.

Kim Westcott discussed the education budget. Special education continues to be the main driver for change, due to a reduction in ARRA funds, personnel costs, enrollment increases. The personnel budget increase 3.2% driven by the contractual increase of 4.2% and offset by headcount reductions. The operating budget increase is being driven by special ed needs and physical education costs. The 9% increase in fixed expenses is being driven by health insurance and special education transportation costs.

Dr. Falcone summarized the increase in the budget overall into \$2M for salaries; \$1M for benefits, \$1 special education and \$500k for other costs. Excess cost reimbursement is expected to be \$2.5 million. The current year's reimbursement was 75% and next year's budget assumes a 70% reimbursement.

Tim Schwarz inquired when the upcoming teacher's contract negotiations would start and what other towns have recently agreed to with their teachers. Kim Westcott said the initial discussions would begin this summer and the Greenwich and Wilton will be working on their teachers contracts as well.

The board was asked what the top priorities for future growth initiatives will be when the budget constraints are not as severe. The general areas noted were the student services, including sociologists and counselors; middle school and high school staffing and to revisit the student participation fees currently imposed.

Liz Mao addressed the Town's budget and noted that this year capital spending is up and that low interest rates continue to have a positive effect on the Town's debt service obligations.

Bruce Orr moved to Item 4 on the agenda – the acceptance of a \$50,000 gift to the Weed Beach project. The funds are to be used toward the purchase and installation of exercise equipment along a walking trail that will be created on the property. Various F&B Committee members inquired as to whether the trail already exists or is it already part of the Weed Beach Project Budget and whether the \$50,000 is sufficient to fully pay for the equipment and installation. Bruce Orr suggested that those questions be addressed at the next F&B meeting at which time the committee will vote on accepting the gift.

Dated: May 27, 2011
Respectfully submitted,
Timothy Schwarz, Member
RTM Finance & Budget Committee